

MINUTES OF THE WORK SESSION MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, MARCH 21, 2005.

The City of Springfield council met in a work session in the Jesse Maine Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, March 21, 2005 at 6:02 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Fitch, Ballew, Ralston, Lundberg, Woodrow and Pishioneri. Also present were Assistant City Manager Cynthia Pappas, City Attorney Joe Leahy, City Recorder Amy Sowa and members of the staff.

1. RiverBend Master Plan/Zone Change (PeaceHealth).

City Planner Colin Stephens presented the staff report on this item. At the Work Session, staff will open a discussion on the RiverBend master plan and zone change applications and respond to questions from the council. The City Council will then be asked to reconvene the continued public hearing during the Regular Meeting to deliberate and vote on a motion.

On February 22, 2005, the City Council held a Work Session and opened the public hearing to accept testimony on these applications. The public hearing was continued to allow for the record to remain open for seven days and for the applicant to submit rebuttal.

At the February 22 Work Session the council discussed the applications and took particular interest in Condition 29 which was added by the Planning Commission and requires construction of the parking structure concurrently with the medical office buildings (MOB) identified as the North MOB and/or Building C. The council's original Condition 29 allowed for off-site parking lots in other portions of the community to substitute for the parking structure.

During both the Work Session and during the council's deliberation, staff will be prepared to discuss Condition 29 and other conditions raised during the public testimony. The conditions and other issues raised during the hearing are elaborated upon in the attached Council Briefing Memorandum.

Mr. Stephens referred to Attachment 1 in the agenda packet, which summarized the conditions with changes and how each would change. He discussed Condition 2 and the rebuttal from PeaceHealth on that condition. PeaceHealth would like council to go back to the original language regarding the vegetation in the riparian setback. Staff concurred with the applicant's request. Mr. Stephens discussed Condition 29, regarding the parking structure. He referred to the Planning Commission's recommendation. It would be up to council to determine the language they would like to include for this condition. He referred to Condition 31, regarding the trip cap during each phase of development. Staff from the Oregon Department of Transportation (ODOT) felt figures from any off-site parking should be included in the trip cap figures. Transportation Planning Engineer Gary McKenney worked with Tom Boyatt from ODOT to revise the language and included that into the numbers. It would be applicable whether or not council approved off-site parking.

Mr. Stephens referred to the concerns from the Colonial Drive neighbors who have requested soundwalls and landscaping to mitigate the noise from the increased traffic on Beltline and Martin Luther King, Jr. (MLK) Parkway. Transportation Manager Nick Arnis had a meeting scheduled with those neighbors on March 31, 2005 to discuss some options including landscaping and a cedar fence. Mr. Stephens said staff would recommend this issue be removed from the master plan because it was more of an issue for the MLK Parkway project. He referred to a map showing the area near Colonial Drive. Some of the neighbors's other concerns were regarding traffic flow through their neighborhood. Staff recommended waiting to address that issue once a site plan had been submitted so they could better know where the access points would be placed and how that would affect the neighborhood. He also noted that Colonial Drive and GameFarm Road are in the county's jurisdiction. The city would involve the county as they get to that point in the project.

Mr. Stephens distributed a memorandum from Ken Vogeney, Supervising Civil Engineer, addressing Condition 65 concerning sanitary sewer service. The applicant agreed with the new language included regarding this condition.

Councilor Ballew said she did not see the rationale of the Planning Commission regarding multi-level parking. She assumed traffic generated would be the same no matter where they parked.

Mr. Stephens said the Planning Commission was concerned with using Campus Industrial land for parking rather than industry. Regarding trip monitoring, he noted that trips were counted as vehicles enter and exit building. If they were parking off-site those trips would not be counted.

Councilor Ballew said perhaps the formula for calculating trip counts was too narrow.

Mr. McKenney said the change in the trip monitoring language expanded the area that was considered in counting those trips beyond the rezoned property.

Councilor Ralston referred to Condition 2. He asked how going back to the original language would protect the agreement with the Jaqua's.

Mr. Stephens said the agreement was a private agreement between the Jaqua's and PeaceHealth and the city was not a party to that agreement. It was beyond the regulatory authority of the city through our code or the annexation agreements. The city could regulate the portion of the riparian area that was originally listed in the condition.

Councilor Ralston asked if the Jaqua's were satisfied with that.

Mr. Stephens said he has not heard from the Jaqua's on this issue.

Councilor Ralston asked who came up with solutions for Colonial Drive.

Mr. Stephens said the proposal that would be presented at the March 31 meeting was from staff.

Ms. Knapel said the neighbors were notified staff had been working on options to address the neighbors' concerns.

Councilor Ralston referred to the Colonial Drive access issue and asked if there was access from GameFarm Road to MLK Parkway.

Mr. Stephens said there would be access as an extension of Cardinal Way.

Councilor Fitch asked if Condition 31 would take into account trips from off-site. She asked if the trip counts from the off-site when it was occupied by Sony was factored into the figures.

Mr. McKenney said the numbers do not have anything to do with the Sony site per se or the traffic that went to the Sony site when it was occupied. These numbers relate to trips that are created by construction on this master plan.

Ms. Pappas asked if the trips from the original model were still in place.

Mr. McKenney said in the Regional Transportation Model the trips were calculated metro wide. When sites become vacant, the trips are not removed from the area and then added back in when it is occupied again.

Mr. Stephens referred to Attachment 3-67 included in the agenda packet which described trip counts and vehicle trips. Only trips generated by the master plan were counted.

Councilor Fitch asked if transports from Sony to PeaceHealth would be counted in the master plan. She asked if there was a concern in looking at the whole Gateway area.

Mr. Stephens said it had not been addressed as a problem yet, but could be something to consider. The traffic between the two facilities should not go through the major intersections that would be considered.

Ms. Kieran said there could be trips measured that wouldn't hit an ODOT facility or intersection. The trip monitoring issue comes about because of the I-5 and Pioneer Parkway levels of service. If those levels of service are degraded by any development, ODOT will bring it to the attention of the city.

Mr. McKenney said this application came in many months ago, and the application for the former Sony site has not yet been approved. The trip caps were made several years ago. This was aimed at a fixed target and was not exact. Much of these are estimates about what would happen in the future. Staff has done the best they could planning for fifteen to twenty years in the future on this site.

Councilor Fitch said she just wanted to be sure one of these small changes would not cause ODOT to ask for a delay due to changes in trip counts.

Mr. McKenney said Tom Boyatt from ODOT had reviewed the changes to the monitoring plan and had approved.

Councilor Lundberg said she was very familiar with trip caps from her time serving on the I-5/Beltline Committee. There was enough leeway to adjust as time went on. She said she had met with Mr. Arnis to talk about the Colonial Drive neighborhood. She agreed that other options beside a soundwall were considered to see if something else could serve the purpose the neighbors wanted. She said she had talked to him about what the city could do within a reasonable amount of time and money. Regarding the parking condition, she said if a parking

structure was built, it could not be changed after time, but a parking lot could be changed if needed in the future.

Councilor Woodrow asked Mr. Stephens if Condition 29 was as originally written.

Mr. Stephens said it was as the Planning Commission recommended. He said it was in legislative format so council could see how it was originally written and what changes were made. He said the whole paragraph was what council had approved. The Planning Commission had recommended the stricken out part be removed.

Councilor Woodrow asked if council was asked to approve the language in its entirety.

Mr. Stephens said that if council wanted to accept the Planning Commission's recommendation, the stricken out language would be removed.

Councilor Ralston said he strongly supported the Planning Commission's recommendation. There are better uses for the land in that area than parking.

Councilor Woodrow said he doesn't disagree, but PeaceHealth was asking to put parking on their property.

Mayor Leiken said PeaceHealth currently shuttles employees from the fairgrounds to their current site and he would assume the shuttle program would stay in place at the RiverBend site. Based on the conditions in Condition 29 and the trip cap of Condition 31, the hospital may not need a parking structure if they continue to shuttle. Council's original language with the trigger in place is the most effective. He said Councilor Lundberg made a good point about the parking structure. Campus Industrial land is tax paying land and job creating land. He said he did not agree with building all parking lots on Campus Industrial property. He said he didn't feel it would come to that because of PeaceHealth's shuttle program. PeaceHealth was looking to build a hospital that would last for the next fifty to one hundred years. He said he was comfortable with the original language council put in place on Condition 29. The language that was stricken out should remain as it had the trigger mechanisms and triggers have worked well in other city projects.

Councilor Pishioneri said the original language allowed flexibility in PeaceHealth's plans and gave the city some form of control. He agreed that a parking structure should not be built if it was not needed. The triggers would allow the hospital to build responsibly.

Councilor Woodrow asked if council consensus was to go back to the original language of Condition 29 as approved by the council. Yes.

Mr. Stephens said they could cover that during deliberations.

2. Proposed Modifications to the Metropolitan Wastewater Management Commission (MWMC) Intergovernmental Agreement (IGA).

Environmental Services Manager Susie Smith presented the staff report on this item. The attached draft MWMC IGA included modifications proposed to update the IGA and to enable MWMC to issue revenue bonds and/or other low-cost capital financing tools. Updating the IGA was necessary to support construction of planned regional wastewater facilities improvements at the lowest possible cost to current and future sewer customers.

In 2004, MWMC, the City Councils of Springfield and Eugene, and the Board of County Commissioners adopted the MWMC Facilities Plan and Twenty Year Project List. Updating the IGA is an important element of implementing the Plan in an efficient and cost-effective manner. The draft IGA, as provided, represented the collective recommendations of Eugene and Springfield staff and Legal Counsels, MWMC Legal Counsel, the MWMC Financial Advisor, and the Bond Counsel for MWMC Financial Advisor, and the Bond Counsel for MWMC and the City of Eugene. It was now being forwarded to all of the MWMC partners for consideration.

Ms. Smith distributed Russell Sadler's editorial from the Register Guard regarding solid waste facilities. She noted that many other communities along the Willamette River built facilities twenty years ago with a twenty year life. Now all these communities need to update or replace their facilities.

Ms. Smith said the new Facilities Plan and Project list were created to allow the city to move forward with projects that had been on the books for numerous years to prevent imminent overflows, and with new projects intended to address new permit requirements that were issued to the city in 2002. The combination of factors led to MWMC and the three governing bodies adopting those plans, which had enabled MWMC to move forward this year with several projects in engineering design and contract development. This year, the way to move forward with implementation of the facilities plan would be by implementing the financial planning tools that were intended in parallel to build the projects at the least cost impact to the regional current and future users of the system. Timely implementation of low cost, debt financing for the large sum of projects for the twenty-year plan was important. The completion of the IGA represented work that had been ongoing for a number of years among regional wastewater program staff and legal counsel to do a combination of things. The first was to update outdated references to old Metro Plan policies and references to old facilities that didn't exist. A significant amount of work was put into engaging the financial advisor, the bond counsel, and the legal counsels from the three governing bodies of MWMC to update it so MWMC could qualify as an entity under ORS 190 statutes, enabling it to issue revenue bonds and engage in debt financing.

Ms. Smith acknowledged Kurt Corey, City of Eugene's Public Works Director; Peter Ruffier, City of Eugene (not in attendance); Bob Duey, City of Springfield Finance Director and MWMC Financial Officer; and Meg Kieran, Legal Counsel for the City of Springfield.

Ms. Smith said the agenda packet included both a legislative format copy of the IGA as well as a final copy. She said the significant changes related to the areas where the financial advisor for MWMC, in collaboration with Lane County's financial advisor and the bond counsel for the City of Eugene and MWMC, recommended as needed a baseline to enable MWMC to enter the revenue bond market. Those changes had not been recommended by staff, but rather by the experts who told staff what must be done in order for MWMC to comply with the law and to enter into the debt financing market. Those changes result in language which increases the assurity that the cities would collect and remit revenues necessary to pay the bond debt. The IGA included the MWMC Facilities Plan as a mechanism for future capacity planning and future updates and how those would be adopted by the governing bodies. It updated the language concerning rate setting for user rates and system development charges (SDC's). When federal funding was used, there were requirements that the governing bodies would establish user rates that would be sufficient to cover all of the operations and maintenance (O and M). At that time, MWMC was repaying the local matching obligation through the County Service District by way of General Obligation Bonds (GOB), so there was no reference to capital or debt financing in the

old document. With the federal requirements off the table, MWMC is looking at a different indebted partner. Those passages regarding federal requirements have been replaced with requirements that require the two cities to establish rates and SDC's at a sufficient level to cover operation and maintenance, ongoing administration and debt service financing capital.

Ms. Smith said MWMC had never had a rate dispute in its twenty-five year history. The dispute resolution process was not proposed to be substantively changed. The potential difference was that in the event one or the other cities did not like the rates suggested by MWMC and the dispute resolution process was completed, the MWMC decision on the rates as they were deemed necessary to provide for operations, maintenance, and debt service became final. These are the same types of requirements the City of Springfield or the City of Eugene would need when entering into revenue bonds to fund capital expansion.

Ms. Smith said with the finance advisor, bond counsel and legal counsel review complete, staff was prepared to move forward for council's consideration. She said Springfield City Council was scheduled for an April 18 Public Hearing on this item, the City of Eugene was scheduled for an April 11 work session and a May 9 Public Hearing on this item. The county had not yet scheduled review of these as several County Commissioners and the County Administrator have expressed concerns. The Lane County Administrator had suggested the alternative of reverting back to the County Service District as the issuer of the debt. That proposal had not been forwarded to either city at this time as a recommendation. Mr. Corey, Ms. Smith and MWMC Legal Counsel, Dave Jewett met with the county's Finance and Audit Committee last week. It was clear that Commissioner Morrison and Commissioner Dwyer had underlying issues with the Facilities Plan that was adopted. They indicated severe reservations about the proposed amendments.

Mayor Leiken asked why the county needed to be involved.

Councilor Ballew said the governing agencies approved the Facilities Plan and the Finance Plan and they had all been out to the public. She said she was not sure why the county had reservations. This process needed to go forward to make permit requirements for additional things like treating ammonia and lowering the temperature. She said she was not sure the county was needed. The county has been one of the partners and MWMC used the County Service District originally because under state law ORS 190, the MWMC was not permitted to issue debt. That had changed and now MWMC was permitted to issue debt. Everything added time to the process and everything was ready to go forward. There were only a few people that lived in the unincorporated area and were served by the sanitary sewer system. To be connected to the Metro Wastewater system, a property must be part of the city, either Springfield or Eugene. If the county was not willing to go forward, she would support going forward without them.

Ms. Smith said historically the county was needed for federal requirements and financial options. Those obligations no longer existed.

Councilor Lundberg asked about the cost. That could be the issue with some of the County Commissioners.

Councilor Ballew said the overall cost for the facilities was about \$144M in 2004 dollars. The plan was a combination of SDC fees as well as user rates. MWMC took a higher increase previously so the increase for the next few years would be six percent. That increase equated to

about seventy cents per month for the rate payer. A General Obligation Bond would cause a large payment all at once on the citizens' tax bill.

Ms. Smith discussed financing and the timeline to maintain permit compliance and keep the sewage from overflowing onto the streets. Much of what the MWMC was planning to build now was on the city's CIP when the Wet-weather Flow Plan was adopted. The financing component had MWMC able to charge six percent this year and six percent next year and then in the amount of inflationary factors. Without the ability to engage in this type of financing tool in the September timeframe, there would be a sixty-five percent increase to get the cash sufficiency for going to construction. It was a difference between a seventy cent increase and a seven dollar and fifty cent rate increase to sewer bills.

Councilor Ralston asked if this facility would be flexible enough to include Coburg.

Ms. Pappas said that issue was under study by the three jurisdictions and would not be resolved in time to stay on this timeline.

Councilor Ballew said there would be some very large issues regarding inclusion of Coburg.

Councilor Pishioneri asked if the MWMC had to use the County Service District.

Ms. Smith said MWMC had no obligation to use them or a need for them. There were, however some small residual proceeds from previous bonds that were paid off in 2002 from delinquent tax payments. The County Service District was considered, but not looked at as a cost effective option.

Councilor Pishioneri asked if there would be any negative effect by not using them.

Ms. Smith said the only effect would be not having another overlay of government with another budget, staffing and approval process.

Mr. Duey agreed.

Councilor Pishioneri asked what the county had to gain by acting as the debt provider. He asked if there was an identified financial gain for them.

Ms. Pappas said there was no identifiable financial gain.

Mr. Duey said he was not sure why the county would object or why they would want to have the preferred option to finance. It may just be a way to keep the conversation going.

Mayor Leiken said staff can only give staff information rather than opinion on this question. He suggested Councilor Pishioneri contact Commissioner Dwyer and Commissioner Morrison to have a political discussion.

Councilor Fitch thanked Councilor Ballew and city staff. She said the city had development and needed the system to grow with that development. This agreement needed to go forward or the city would no longer be in compliance and meeting the growth requirements. She said she was not ready to shut down Springfield and no longer allow new business or new homes. She said she

hoped the county would join in, but if not, Eugene and Springfield needed to move forward in a way that was best for them.

ADJOURNMENT

The meeting was adjourned at 6:58 pm.

Minutes Recorder – Amy Sowa

Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder